

ATTACHMENT C

Letter from Bill Miller to Tom Murphy and Robert A. Iger

June 11, 1994

**AMERICA
CORPORATION**

BOB BELLER
Vice President, Chief Operating Officer

Tom Murphy, Chairman of the Board & CEO
Capital Cities/ABC
77 West 66th Street
New York, New York 10023

Robert A. Iger, President
ABC Television Network Group
Capital Cities/ABC
77 West 66th Street
New York, New York 10023

June 11, 1994

Dear Tom and Bob,

Thank you for taking the time to meet with Del and me last Thursday evening in Los Angeles. Your concern and sensitivity for our family owned company was clearly felt by both of us. We appreciate your kind words about our station and we realize that your openness was warmly personal, generous and rare in today's normal course of business.

We also understand the cold realities that face the two of you as you meet on Tuesday. We know that your primary focus must be on the security and future of the network. We do realize that you are being squeezed hard by forces that have the power to truly hurt ABC if you do not acquiesce to their demands.

If we seemed passionate in our meeting with you, it is because we feel weak, almost helpless in fighting for our company and the hundreds of our associates who have given so much of their careers and lives to build a strong force in our community, an information and marketing force that serves both our neighbors and our partners at ABC. A force powered by some of the best people in the business.

Our entire management team at KTVK has been together for eight years. I can not describe here the pride, creativity and dedication that they bring to our station and our network. I hope that you have had a chance to talk with your people in news, affiliate relations and promotion about our staff. If so, I am guessing that you have discovered a strong and personal relationship between the managers of ABC and KTVK.

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For us, this whole affair is a new form of business terrorism that threatens to make us the ransom that you must pay to rescue two markets held hostage. Make no mistake, we do understand that you are also victims. Still, we feel caught in the cross-fire with no leverage, no weapons to defend ourselves, save our passion, success, dedication, and loyalty.

Our one hope is to convince you that the ransom is too high and the terrorists know it!

Perhaps it is easy for us to say, with so much at stake and so far away, but we really believe that the people across that table from you on Tuesday will have far more to lose than to gain by giving up ABC in Cleveland and Detroit, especially if you can help them in places other than Phoenix. We believe that they are bluffing and will back down.

Their station management, in both Cleveland and Detroit, truly does not believe they should or will give up solid positions in those two key markets at a time when their CBS competitors are being relegated to weak stations, just to gain an ABC affiliation on a U in Phoenix. Especially with the added dollars you have placed on the table. Those GMs are good broadcasters who can't stand to lose. They clearly understand the cost of changing affiliations and more importantly, they can already taste the blood of their CBS enemies. They have computed and passed on the estimated losses and the years it will take to recover them. They have solidly and loudly made their feelings known to their corporate decision makers.

You have both said very kind things about our station and our people. But since we may not get another hearing until our future with ABC is decided, we want to take this opportunity to remind you of some facts.

Phoenix is the 20th market, in households and at last count the 17th in spot sales. Ours is the 8th largest city in America and the U.S. Census Bureau projects it will be the fastest growing metro area in the country for the next 20 years. Somewhere along that track we will pass at least a dozen other markets, probably including the two being held hostage.

Please reconsider these values that KTVK brings to ABC:

- *A 40 year partnership with the network
- *The highest rated station in the state with the very best demon
- *One of the strongest and brightest management teams in the network family
- *The highest rated, very best and most expensive news department
- *The very best and most expensive syndicated programming (Sally, Oprah, Donahue, E.T.)
- *The best promotion with a budget greater than any two other affiliates in the market combined (two million budgeted this year for paid radio advertising alone)

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***The strongest presence and most loved station in the community. KTVK is Arizona's Family station. We contribute millions annually to charities (more than all other stations in the market combined)**

***A strong dedication to the future, including the state's first 24 hour news and information cable channel, the state's largest commercial magazine and one of the strongest young demo FM radio stations in the market with a second FM station under marketing contract**

Obviously our competitors in this fight have none of the above. They ran a very profitable, very lean Fox affiliate. They are in the process of building a new "News Building" big enough for a staff and equipment about one-third the size necessary to compete on the affiliate level in Phoenix. They are invisible in the community and most importantly they are a UHF station in a market full of mountains that is only 50% cable. We can only guess at how many years it will take for them to reach parity with KTVK... considering the downside of UHF broadcasting in Phoenix, the fact is they simply never will.

At the same time, should you remain with KTVK, ABC is poised to profit dramatically from the changes and shifts in this market. Our strongest competition has been the older skewing CBS station KSAZ. Turning that staff and their audience around to accept the "Fox look" will be a job we estimate will take years. Our NBC competitors are weak in news. In the May book they had their worst news showing since 1987. They will gain from the changes at KSAZ but, our research indicates that the real benefactors would be us (KTVK AND ABC). When you tally up the costs of giving us up, please include the loss of this pending massive opportunity. Also consider the awful reality that NBC will be a clear winner in Phoenix...and on a U, ABC will likely be pushed from first to fourth place.

Again, we know the pressures you will be facing. We value the openness and sincere concern you have shown to us throughout this episode.

I will be in contact with Bob on Monday morning to arrange a telephone conference with you on Tuesday. If there is any way that we can help you, including but not limited to public begging, please call. My direct office line is (602) 263-3307, my home phone is (602) 893-2323, mobil is (602) 390-2323.

Good luck! Our hopes and dreams and sincere best wishes go with you.

Sincerely,

/s/
BILL MILLER

EXHIBIT 9

FOX AND THE NEW WORLD ORDER

MAY 30

Broadcasting & Cable

The weekly of Television and Radio

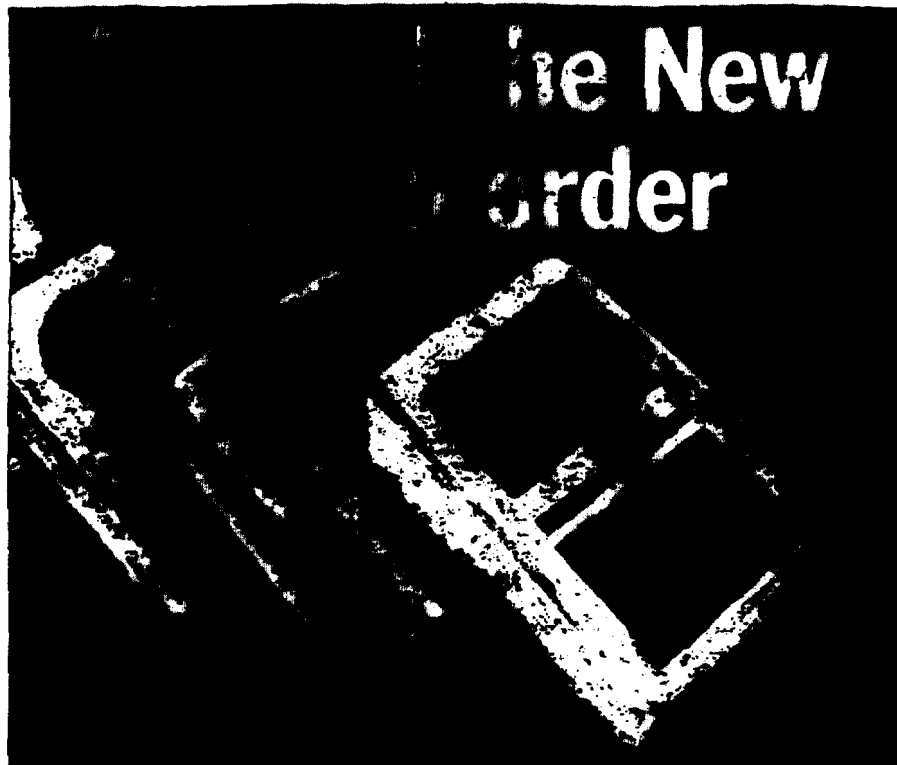
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Falling for Fox

The domino theory
in network TV

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MIAMI, FL 33157

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By Geoffrey Folsie

The dominoes have only begun to fall.

The big three networks and network affiliates across the country began scrambling to repair the damage done to them last week by the unprecedented affiliation agreement between News Corp.'s Fox Television and New World Communications Group.

Under the deal announced last Monday, New World's 12 current or soon-to-be-owned VHF network affiliates will become Fox affiliates for the next 10 years.

To seal the deal, Fox will give New World \$500 million—\$250 million for preferred stock at a slight premium over last week's price and \$250 million in a seven-year interest-free loan.

New World also will receive time on the Fox-owned stations for its syndicated programming. It will get two hours during daytime and a late-night slot, probably at 11:30.

New World subsidiary Genesis is expected to

supply some of the programming.

New World also has a minimum order from the Fox network for two series pilots and two made-for-TV movies.

New World now owns eight stations. But last week, it also announced an agreement to buy Argyle Television's four VHF affiliates for \$717 million (see box, page 8).

Of the networks, CBS is most affected. Eight of the New World/Argyle stations are CBS affiliates. Also unsettled are Fox's 12 current UHF affiliates and

the affiliations of the other three networks in markets covering almost 14%, and soon to be more than 15%, of the country.

CBS CEO "Larry Tisch has got to rethink how much he will pay for TV station ownership," said one TV group executive. "If he had bought the New World [then-SCI-TV] stations in the first place, when they were for sale, and which were a natural fit, he might not have had this problem."

The Monday morning quarterbacking had a more utilitarian purpose than just to vent opinions. Station executives and group-owner CEOs were trying to figure out what Tisch and his counterparts at ABC and NBC would try to do.

In order to hang onto VHF's in the affected markets, some were figuring the networks might be forced into package deals affecting other markets.

Among the TV groups that CBS may approach for affiliations:

■ Scripps Howard was the single-most victimized by Fox's me-first strategy, losing network affiliations in Tampa, Phoenix and Kansas City. It also owns coveted VHF stations in two markets where CBS has been unseated: Detroit and Cleveland. A group affiliation switch is a possibility; a sale is also possible, but Scripps Howard recently has been more a buyer than a seller.

■ Gannett, with VHF stations in Atlanta, Austin and Phoenix (NBC, ABC and NBC), holds the key to three more markets where CBS is temporarily locked out.

■ LIN Broadcasting owns NBC affiliates in Dallas and Austin.

■ Gaylord Broadcasting, with a VHF independent in Dallas and a U in Milwaukee, also could be on CBS's list. A conversation with Gaylord, however, could go beyond affiliation, since Gaylord has been spinning off properties lately. An assignable option on its Milwaukee property already may be in the hands of Sinclair Broadcasting, which, as of last week, also owns the deposed Fox affiliate in

IT'S A NEW WORLD FOR FOX

Market	Rank	Future Fox affiliates (all VHF)	Network losing affiliation	Current Fox affiliates (all UHF)	Groups losing Fox affiliation
Dallas	8	KDFW	CBS	KDAF	Fox
Detroit	9	WJBK	CBS	WKBD	Paramount
Atlanta	11	WAGA	CBS	WATL	Fox
Cleveland	12	WJW	CBS	WOIO	Malrite
Tampa	16	WTVT	CBS	WFTS	Scripps Howard
St. Louis	18	WTVI	ABC	KDNL	River City
Phoenix	21	KSAZ	CBS	KNXV	Scripps Howard
Milwaukee	28	WITI	CBS	WCGV	Sinclair
Kansas City	29	WDAF	NBC	KSHB	Scripps Howard
Greensboro/49		WGHP	ABC	WNRW	Act III
Winston Salem/High Point					
Birmingham	50	WBRC	ABC	WTTO	Sinclair
Austin	65	KTBC	CBS	KBVO	Austin Television

that market, WCGV(TV).

Theoretically, ABC could have to worry about Hearst, which has its VHF affiliates in two of the Fox-New World markets—Kansas City (where NBC loses to Fox) and Milwaukee (again, CBS). But given the strong corporate ties between Hearst and ABC's parent, Capital Cities/ABC, a switch is considered unlikely by most.

The market-by-market hand-capping:

Dallas—The audience loss to CBS here could equal more than a quarter of the total damage. Fortunately, Dallas has a fourth V, KTVT(TV), but if Gaylord won't sell or sign on, CBS will have to try to steal from ABC or NBC or perhaps add insult to injury by negotiating with Fox to buy its former owned station, UHF KDAF(TV). Viacom/Paramount also owns a U there.

Detroit—As described above, CBS might try stealing away the ABC affiliate owned by Scripps Howard. Other CBS options include going after NBC affiliate WDIV(TV), although owner Post-Newsweek has a local sports franchise and NBC has sports. The soon-to-be-ex-Fox affiliate, WKBD, belongs to Viacom/Paramount.

Atlanta—CBS's potential audience loss here is substantial and, unlike Dallas, there is no fourth V. Once again, unless it can steal away the NBC or ABC affiliates owned by Gannett and Cox, respectively, CBS may be faced with buying WATL, the Fox O&O, which Fox said it will spin off.

Cleveland—Another three-VHF market facing CBS. NBC seems protected, since it partly owns its affiliate, WKYC. Unless it can strike a deal with



Fox programming chief Sandy Grushow and FBC Chairman Lucie Salhany high-five in celebration.

Scripps Howard for ABC's affiliate, CBS's other options are all UHF, including Malrite's soon-to-be-ex-Fox affiliate, WOIO, and Cannell Communication's WUAB(TV).

Tampa—The third largest potential audience loss facing CBS. If it wants V's in Detroit and Cleveland, CBS might have to make a deal with Scripps Howard and take WFTS, its UHF (and soon-to-be-ex-Fox affiliate) here. Alternately, it could try to switch to Media General's NBC affiliate, WFLA, or Great American's ABC affiliate, WTSP. GACC recently sold four stations to New World included in last week's switch, but the sale also used up tax losses to shelter the gain on any further sales. Still, the right price might buy CBS a V. Stanley Hubbard also owns a U here.

St. Louis—Here ABC suffered the affiliate defection. Fortunately, there is another V in the market, Koplar Communications' KPLR, which has an ownership restructuring deal on file at the FCC. Ted Koplar, however, recently

hasn't done a deal he ended up liking and could presumably be talked into something else. Considering Viacom's debt load, it, too, might be a seller of CBS affiliate KMOV, although any Capital Cities/ABC VHF purchase here would put it within 0.3% of the FCC's 25% coverage cap. Not to be counted out is the soon-to-be-ex-Fox affiliate, KDNL, owned by River City, which is building a news operation.

Phoenix—CBS has an option here. Meredith's VHF, KPHO, has a verbal agreement but no signed contract yet with the soon-to-be Warner Bros. network. Scripps

Howard's soon-to-be-ex-Fox affiliate, KNXV, has the already-mentioned group leverage and also has invested heavily in a start-up news operation. Other CBS options include trying to buy or move to ABC affiliate KTVK or to Gannett's NBC affiliate KPNX.

Milwaukee—CBS's better options in this three-V market include trying to steal the *Milwaukee Journal's* NBC affiliate, WTMJ, or talk to Sinclair Communications, which owns U and soon-to-be-ex-Fox affiliate WCGV and holds an option to buy Gaylord's U, WVTU.

Kansas City—NBC is the victim. It would be hard to take Hearst's KMBC from ABC. The CBS VHF affiliate is owned by Meredith, which also has the station CBS may be seeking in Phoenix. On the UHF side there is Scripps Howard's soon-to-be-ex-Fox affiliate, KSHB, and ABRY Communications' KSMO.

Greensboro/High Point/Winston Salem—ABC's strategy in this three-V market is complicated. Any VHF purchase would create a grade-B signal overlap with its affiliate in nearby Raleigh-Durham. Its options are to try to steal away Gannett's WFMY from CBS or Pulitzer's WXII from NBC. The UHF options include Act III's soon-to-be-ex-Fox affiliate, WNRW.

Birmingham—This market will be confusing for ABC, CBS and NBC. The former lost its affiliation, but the affiliates of the last two will both be up for sale. Sinclair Communication's WTOO is also a contender.

Austin—Even though this is the smallest of the 12 markets, CBS is losing an affiliate with a strong signal. Unless it can persuade Gannett's KVUE to drop ABC, it faces ending up on a U, either LIN's NBC affiliate KXAN or the soon-to-be-ex-Fox affiliate KBVO. ■

Argyle socks away profit

New World's \$717 million purchase of Argyle Television generated its own buzz. That price was more than double the \$320 million Argyle paid less than a year ago for the four VHF affiliates: KTVI(TV) St. Louis, WVTM(TV) Birmingham, Ala.; KOFW(TV) Dallas and KTAC(TV) Austin, Tex.

Argyle President Blake Byrne, termed the sale—technically structured as an option to buy—"bittersweet." The windfall profit to be realized by Argyle's shareholders is attributable to a number of factors, including improved operating revenue, and the fact that the previous price was discounted because Argyle's minority-headed ownership structure allowed the stations' previous owner, Times Mirror, to defer tax on its gain.

Another factor is the higher multiple of a TV station's profit buyers are willing to pay today. That New World has more than one way to profit from a TV station (see stories) is yet another reason for the price it was willing to pay.

New World this week is expected to make yet another purchase announcement, that of WSMV(TV) Nashville. —OF

EXHIBIT 10

MASTER AFFILIATION AGREEMENT

MASTER AGREEMENT

This Agreement is entered into on July 7, 1994 between Scripps Howard Broadcasting Company, an Ohio corporation ("Scripps Howard"), and American Broadcasting Companies, Inc., a New York corporation ("ABC").

Whereas, Scripps Howard desires to enter into ABC primary television network affiliation agreements for its television stations in Phoenix ("KNXV"), Tampa ("WFTS") and Baltimore ("WMAR"), and to extend its existing ABC primary television network affiliation agreements for its television stations in Detroit ("WXYZ") and Cleveland ("NEWS") (the aforesaid stations being referred to hereinafter collectively as the "Five Stations") in order to obtain a stable source of high-quality entertainment, news and sports programming for such stations on a long-term basis;

Whereas, ABC desires to assure that the ABC Television Network is affiliated on a long-term basis with well-managed stations throughout the United States that will clear a substantial portion of the network program schedule and the Five Stations are such stations;

Now, therefore, in consideration of the mutual covenants hereinafter contained, the parties agree as follows:

1. Scripps Howard and ABC shall execute simultaneously with this Agreement an affiliation agreement for each of the Five Stations for a term of ten (10) years, each such agreement to be effective on the respective date set forth therein (the "Affiliation Agreements"), to wit:

- a) the Affiliation Agreement for NEWS to be effective on December 19, 1994;
- b) the Affiliation Agreement for WXYZ to be effective on December 19, 1994;
- c) the Affiliation Agreement for WMAR to be effective on January 9, 1995;
- d) the Affiliation Agreement for WFTS to be effective on January 9, 1995; and
- e) the Affiliation Agreement for KNXV to be effective on January 9, 1995.

2. Scripps Howard will be entitled to receive under the Affiliation Agreements an aggregate annual compensation guarantee of up to Ten Million (\$10,000,000) Dollars (net of affiliation fees), payable monthly in equal installments as allocated among the five Stations pursuant to the Affiliation Agreements. Each Station except WFTS will be paid its annual compensation guarantee for (i) the first year of the applicable Affiliation Agreement and (ii) for each year thereafter during the term thereof provided that the following conditions with respect to such Station are satisfied in the year immediately preceding each such year including the first year:

- a) such Station (except WFTS) will maintain the same level of clearances of ABC network programs as WXYZ-TV in the 1993-1994 television season (i.e., the last two quarters of 1993 and the first two quarters of 1994) (the "1994 Season");
- b) such Station's preemption levels for network programming will not exceed the 1994 Season level for WXYZ, except WFTS;
- c) Nightline will be cleared on a "live" basis by such Station; and
- d) WFTS will maintain the same level of clearances of ABC network programs as it did in the 1994 Season and its preemption levels for network programming will not exceed its 1994 Season preemption levels.

WFTS will be paid its annual compensation guarantee for each year after the first year of its Affiliation Agreement during the term thereof provided that the conditions set forth immediately above in Section 2(a), (b) and (c) are satisfied with respect to WFTS in the year immediately preceding each such year except for the first year of the Affiliation Agreement. During the first year of its Affiliation Agreement, WFTS will satisfy all said conditions except for non-prime-time clearances that cannot be maintained due to contractual obligations existing as of the date hereof, and you represent that all such contractual commitments will expire prior to the second year of such Affiliation Agreement. During the first year, WFTS' compensation will be determined solely by the formula set forth in Schedule A to its Affiliation Agreement.

Additional provisions relating to each Station's compensation guarantee, certain additional compensation, compensation in lieu of the guarantee under certain circumstances, and the parties' rights upon a Station's failure to satisfy one or more of the conditions set forth above are provided for in each of the Affiliation Agreements.

3. Scripps Howard represents and warrants the following:
- a) it has the right to and will take all necessary steps to enter into and fully perform the Affiliation Agreements;
 - b) it has the right and will exercise the right to terminate its existing NBC affiliation agreement for WMAR, effective no later than ~~January 8, 1995~~ and ^{January 9, 1995} 76;
 - c) it has received notices that Fox Broadcasting Company ("Fox") will terminate the Fox affiliation agreements for KNXV and WPTS effective in December 1994.

4. ABC represents and warrants that it has the right to and will take all steps necessary to enter into and fully perform the Affiliation Agreements.

5. ABC recognizes that due to current conditions and changes occurring in the broadcasting industry the markets in which the Five Stations are located (the "Markets") will require significant promotional expenditures on the part of Scripps Howard to inform viewers and promote viewership of ABC programs on such stations. In that connection, ABC agrees to pay Scripps Howard up to Five Million (\$5,000,000) on receipt of invoices from Scripps for expenditures relating to advertising and promotional efforts in the Markets for the period commencing on the date hereof and ending on January 8, 1997. With respect to WPTS, KNXV and WMAR, Scripps Howard agrees to consult with and cooperate with ABC with respect to advertising and promotion that appears prior to the effective date of the respective Affiliation Agreements in order to avoid audience confusion as to the channel location for ABC network programming.

AMERICAN BROADCASTING
COMPANIES, INC.

SCRIPPS HOWARD BROADCASTING
COMPANY

By: George H. Howard

By: Frank Gardner

Title: EXEC. V.P. Affil. Rel.

Title: EXEC. V.P.

PRIMARY TELEVISION AFFILIATION AGREEMENT

Tampa Bay Television, Inc.
c/o Scripps Howard Broadcasting Company
312 Walnut Street, 28th Floor
Cincinnati, OH 45202

TELEVISION STATION: WFTS-TV, Tampa, FL

Gentlemen:

The following shall constitute the agreement between American Broadcasting Companies, Inc. ("we") and Tampa Bay Television, Inc. ("you"), in order that your station may continue to serve the public interest, convenience and necessity. We and you hereby mutually agree upon the following plan of network cooperation:

I. NETWORK AFFILIATION AND PROGRAM SERVICE

A. **FIRST CALL**. We will offer you, for television broadcasting by your station, the first call on all our network television programs which are to be broadcast on a television network basis in the community to which your station is licensed by the Federal Communications Commission, except as hereinafter provided in Section VI(3). Notwithstanding the foregoing, ABC shall have the right to authorize any television broadcasting station regardless of the community to which it is licensed by the FCC, to broadcast any network presentation of a subject we deem to be of immediate national significance including, but not limited to, a Presidential address.

B. **PROGRAM SERVICE**. The program service we are offering will be as follows:

1. **Network Sponsored Programs**. "Network sponsored programs", as used in this agreement, shall mean those television network programs which contain one or more commercial announcements paid for by or on behalf of one or more ABC Network advertisers.

You agree to broadcast network sponsored programs in their entirety, including but not limited to the network commercial announcements ordered for your station, network identifications, program promotional material or credit announcements contained in such programs which you accept, without interruption or deletion or addition of any kind. Notwithstanding the foregoing, you may substitute other ABC-TV promotional announcements in lieu of program promotional material which is inaccurate as it pertains to your station. It is also understood that no commercial announcement, promotional announcement or public service announcement will be broadcast by you during any interval within a network program designated by ABC as being for the sole purpose of making a station identification announcement.

2. Network Sustaining, Cooperative and Spot Carrier Programs.

a) We will from time to time offer you live or recorded network programs identified as sustaining programs, cooperative programs or spot carrier programs. Except as set forth below in subparagraphs (b) and (c), you agree to broadcast such programs which you accept in their entirety without interruption or deletion or addition of any kind.

b) The network sustaining programs which we may offer to you may not, without our prior written consent, be sold by your station for commercial sponsorship or interrupted for commercial announcements or used for any purpose other than sustaining broadcasting.

c) You may carry the cooperative or spot carrier programs on the same basis as regular sustaining programs or you may offer them for commercial sponsorship on terms and conditions specified by us at the time such programs are offered to you.

C. PROGRAM ACCEPTANCE. You agree that you will advise us within 15 days of the date of our offer of your acceptance (if requested to do so by the terms of our offer) or rejection of any offer by us relating to a regularly scheduled network program. With respect to any network program not regularly scheduled, you will advise us of your acceptance or rejection of our offer within 72 hours (exclusive of Saturdays, Sundays and holidays) after such offer has been received at your station. However, if the first broadcast referred to in our offer is scheduled to occur within less than 15 days after the date of our offer with respect to regularly scheduled network programs or less than 72 hours after our offer has been received at your station with respect to network programs not regularly scheduled, you shall notify us of

your acceptance or rejection of such offer as promptly as possible, but in no event after the first broadcast time specified in such offer. Acceptance by you of our offer of a network program(s) shall constitute your agreement to broadcast such network program(s) in accordance with the terms of this agreement and of our offer to you.

D. PROGRAM DELIVERY. By means satisfactory to us, we will arrange, at our own expense, for programs to be delivered to your station.

II. TERM

This agreement shall become effective at 3:00 AM, NYT, on the 9th day of January 1993, and shall continue until 3:00 AM, NYT, on the 8th day of January 2005.

III. NETWORK STATION COMPENSATION

A. During the first year of this Agreement, your compensation will be determined solely by the formula set forth in Schedule A attached hereto and made a part hereof. You will be entitled to receive an annual compensation guarantee of One Million (\$1,000,000) Dollars (net of affiliation fees and payable monthly in equal installments) for each year of this Agreement after the first year provided that the following conditions are satisfied in the year immediately preceding each such year (but not including the first year of this Agreement):

1. Your station will maintain the same level of clearances of ABC network programs as station WXYZ-TV in the 1993-1994 television season (i.e., the last two quarters of 1993 and the first two quarters of 1994) (the "1994 Season").
2. Your station's preemption levels for network programming will not exceed the 1994 Season level for station WXYZ-TV.
3. Nightline will be cleared on a "live" basis.

During the first year of this Agreement, you agree to satisfy conditions 1, 2 and 3 set out above except for non-prime-time clearances that cannot be maintained due to contractual commitments existing as of the date hereof, and you represent that all such contractual commitments will expire prior to the second year of this agreement.

B. Your entitlement to the annual compensation guarantee in any particular year after the second year hereof is dependent on your satisfaction for the immediately preceding year of the conditions set out immediately above in subparagraph A. For any year following a year in which such conditions have been satisfied, your compensation will be in the amount of the guarantee (plus any additional compensation due under subparagraph C immediately below). For any year following a year in which such conditions have not been satisfied, your compensation will be determined instead solely by the formula set forth in Schedule A attached hereto and made a part hereof.

C. For any year (including the second year hereof) in which your annual compensation will be in the amount of the guarantee, your compensation under the formula set forth in Schedule A will be compared with the guarantee and if such compensation is greater than such guarantee, you will be paid the difference as additional compensation for that year.

D. During any year in which the annual compensation guarantee set forth in Section III(A) above does not apply, we reserve the right to reevaluate and change at any time (a) the network station rate set forth in Schedule A, (b) the percentage(s) set forth in the Table in Schedule A, or (c) your network weekly deduction, by notice to you in writing to such effect ninety (90) days prior to the effective date of any such change. If the effect of such changes would be to decrease your annual network compensation under Schedule A by more than 25%, you may, if you so elect, terminate this affiliation agreement by giving us prior written notification within forty-five (45) days after the date of our notice to you.

E. If you fail to satisfy any of the conditions set forth in subparagraphs (A) 1, 2 and 3 of Section III hereof, and we give you written notice of such failure, you shall have ninety (90) days from receipt of such notice to return to complying fully with such conditions. If by the end of such ninety (90) day period, you fail to return to complying fully with such conditions, we shall have the right, in our sole discretion, to terminate this agreement upon two hundred seventy (270) days written notice to you.

IV. NETWORK NON-DUPLICATION PROTECTION

You shall be entitled to network non-duplication protection provided as and to the extent set forth in Rider One to this agreement, which is attached hereto and made a part hereof.

V. CUT-IN ANNOUNCEMENTS AND LOCAL TAG SERVICES

A. CUT-IN ANNOUNCEMENTS. "Cut-In Announcements", as used herein, shall mean the substitution of a special commercial in place of a regularly scheduled network commercial.

1. Upon at least twenty-four (24) hours' notice, you shall, at our request, furnish such personnel and equipment as may be necessary to (a) broadcast cut-in announcements from your station alone, or (b) originate from your station cut-in announcements to one or more other stations, without regard to whether or not your station is requested to broadcast said cut-in announcement(s). Notwithstanding anything contained in this agreement, you may refuse to broadcast any such cut-in announcement in the community to which your station is licensed by the FCC if, in your opinion, it is not in the public interest, convenience or necessity, but you shall nevertheless furnish such personnel and equipment as may be necessary to originate such cut-in announcement(s) from your station to one or more other stations.

2. Cut-in announcements shall be broadcast only when authorized by us and then only in accordance with the instructions furnished to you. You will be supplied, as promptly as possible, with the material and instructions for these announcements.

3. We may cancel any order for cut-in announcements without liability on our part, provided we do so upon not less than twenty-four (24) hours' notice to you, failing which, we will pay you the compensation you would have received if the announcement(s) had continued as scheduled for twenty-four (24) hours following receipt by you of such notice of cancellation.

4. For each program during which such cut-in announcements are included, we shall pay you in accordance with the applicable table set forth in Schedule B hereto and hereby made a part hereof.

B. LOCAL TAG SERVICES. "Local Tag Announcements", as used herein, shall mean a visual commercial announcement, made by you on behalf of a local dealer of a network advertiser, not exceeding ten seconds of a one-minute network commercial announcement or five seconds of a thirty-second network commercial announcement

projected by means of a slide and not utilizing more than two (2) slides.

1. Upon at least twenty-four (24) hours' notice, you shall, at our request, furnish such personnel and equipment as may be necessary to broadcast "local tag announcements".
2. Local tag announcements shall be broadcast in accordance with our instructions. The network advertiser shall supply to you or purchase from you, as promptly as possible, the slide(s) for each local tag announcement. Local tag announcements shall not be accompanied by oral announcements unless the network advertiser shall make direct requests of you therefor and shall have assumed sole responsibility for payment of such oral announcements.
3. We may cancel any order for local tag announcements without liability on our part provided we do so upon not less than twenty-four (24) hours' notice to you, failing which we will pay you the compensation you would have received if the local tag announcement(s) had continued as scheduled for twenty-four (24) hours following receipt by you of such notice of cancellation.
4. For each local tag announcement which you broadcast, we shall compensate you in accordance with the applicable table set forth in Schedule B hereto and hereby made a part hereof.

VI. GENERAL

1. We may at any time, upon notice to you, substitute for any scheduled network program another network program, except that if such other network program in our judgment involves a special event of public interest or importance, no such notice is required. No compensation will be paid to you for the scheduled program or for the substitute program unless such substitute program is a "network sponsored program" in which event you shall be compensated in accordance with the terms or formula, whichever is applicable, set forth in Schedule A hereof.
2. Nothing contained in this agreement shall be construed to prevent or hinder us, at any time upon notice to you as soon as practicable, from cancelling one or more network programs, whether sponsored or sustaining, in which event you shall receive no compensation for any such canceled network sponsored program(s).
3. With respect to network programs offered or already contracted for pursuant to this affiliation agreement, nothing herein contained shall be construed to prevent or hinder you from:

a) rejecting or refusing network programs which you reasonably believe to be unsatisfactory, unsuitable or contrary to the public interest; or

b) substituting a program, which in your good faith opinion, is of greater local or national importance.

We shall not compensate you for any such program you have refused or rejected or for which you have substituted a program which is of greater local or national importance. With respect to programs already contracted for hereunder, you shall give us prompt telegraphic notification of any such refusal, rejection or substitution no later than fourteen (14) days prior to the air date of such programming, except where the nature of the substitute program makes such notice impracticable (e.g., coverage of breaking news or other unscheduled events), in which case you agree to give us as much advance notice as possible under the circumstances. Such notice shall include a statement of the reason(s) you believe that a rejected or refused network program is unsatisfactory, unsuitable or contrary to the public interest, and/or that a substituted program is of greater local or national importance.

In addition to all other remedies, we shall have the right, upon thirty (30) days' notice, to terminate your "First Call" rights on any program series already contracted for hereunder and withdraw all future episodes of that series if one or more individual program episode(s) is pre-empted by you in violation of this Paragraph.

We shall also have the right, upon thirty (30) days' notice, to terminate your "First Call" rights concerning any program series already contracted for hereunder and to withdraw all future episodes of that series if three or more individual program episodes are pre-empted by you in any thirteen-week period, whether or not such pre-emptions are for the reasons set forth in (a) and (b) above. Such thirteen-week periods shall be measured consecutively from the first broadcast date of the program series in question.

We reserve the right not to offer you the "First Call" for the next broadcast season on any program series as to which we have terminated your "First Call" rights and withdrawn future episodes of that series pursuant to this Paragraph and which has been placed by ABC on another station serving your market.

4. You will submit to us in writing, upon forms provided by us for that purpose, such reports covering network programs broadcast by your station as ABC may request from time to time.

5. Neither you nor we shall incur any liability hereunder because of our failure to deliver, or your failure to broadcast, any or all network programs due to:

- (a) failure of facilities
- (b) labor disputes, or
- (c) causes beyond the control of the party so failing to broadcast.

6. In the event that the transmitter location, power, frequency or hours of operation of your station are changed at any time so that your station is of less value to us as a network outlet than it is as of the effective date of this agreement, we will have the right to terminate this agreement upon thirty (30) days' advance written notice.

7. Unless we exercise our right of termination set forth in this paragraph, this agreement shall be binding on your successors and assigns. We reserve the right to object to any assignee and you agree not to assign or to transfer any of the rights or privileges granted to you under this agreement without our prior consent in writing. You also agree that if any application is made to the Federal Communications Commission pertaining to an assignment or a transfer of control of your license, or any interest therein, you shall notify us in writing immediately of the filing of such application. Except as to assignments or transfers of control comprehended by Section 73.3540(f) of the Rules and Regulations of the Federal Communications Commission, we shall have the right to terminate this agreement effective as of the effective date of any assignment or transfer of control (voluntary or involuntary) of your license or any interest therein, provided ABC shall have given you notice in writing of such termination within thirty (30) days after we have been advised that such application for assignment or transfer has been filed with the Federal Communications Commission. If you fail to notify us of the proposed assignment or transfer of control of your station's authorization, we shall have the right to terminate this agreement upon thirty (30) days' advance written notice to you.

If we do not so terminate this agreement, the transferee of the stations shall become the assignee of this agreement and be fully bound by its terms. You agree, prior to the effective date of any such assignment or transfer of control of your station to procure and deliver to us, in form satisfactory to us, the acknowledgment of the proposed assignee or transferee that, upon consummation of the assignment or transfer of control of your station's authorization, the assignee or transferee will assume and perform this agreement in its entirety without limitation of any kind.

8. You agree not to authorize, cause, permit or enable anything to be done whereby any program which we supply to you herein may be used for any purpose other than broadcasting by your station in the community to which it is licensed, which broadcast is intended for reception by the general public in places to which no admission is charged. You agree when you are authorized to tape a program for subsequent broadcast that the recording will be broadcast not more than once in its entirety and will be erased within six (6) hours of use.

9. Except with our prior written consent and except upon such terms and conditions as we may impose, you agree not to authorize, cause, permit or enable anything to be done whereby a recording on film, tape or otherwise is made or a recording is broadcast, of a program which has been, or is being, broadcast on our network, or a rebroadcast is made of the broadcast - transmission of your station during any hours when your station is broadcasting a program provided by ABC.

10. With respect to any and all promotional material issued by you or under your direction or control, you agree to abide by any and all restrictions of which we advise you pertaining to the promotion of a network program(s) scheduled to be broadcast by you in your community, including, but without limitation, on-the-air promotion, billboards, and newspaper or other printed advertisements, announcements or promotions.

11. You agree to maintain for your television station such licenses, including performing rights licenses as now are or hereafter may be in general use by television broadcasting stations and necessary for you to broadcast the television programs which we furnish to you hereunder. We will clear all music in the repertory of ASCAP and of BMI used in our network programs, thereby licensing the broadcasting of such music in such programs over your station. You will be responsible for all music license requirements for any commercial or other material inserted by you within or adjacent to our network programs in accordance with this agreement.

12. The furnishing of film or tape recorded programs hereunder is contingent upon our ability to make arrangements satisfactory to us for the film or tape recordings necessary to deliver the programs to you. Such film or tape recorded programs shall be used only for a single television broadcast over your station. Positive prints of film or tape recorded programs are to be shipped by us, shipping charges prepaid, and you agree to return to us or to forward to such television station as we designate, shipping charges prepaid, each print or copy of said film or tape recording received by you hereunder, together with the original reels and containers furnished therewith. You will return or forward all prints in the same condition as received by you, ordinary wear and tear excepted, immediately after a single

TV broadcast over your station. In the event you damage a print of any film or tape recorded program which is delivered to you, or fail to return or forward the original reels and containers furnished therewith, as aforesaid, you agree to pay the cost of replacing the complete print, original reels and/or containers as and when billed by us.

13. With the exception of the Master Agreement dated July 7, 1994 between us and you, no inducements, representations or warranties except as specifically set forth herein have been made by any of the parties to this agreement. This agreement constitutes the entire contract between the parties hereto and no provision thereof shall be changed or modified, nor shall this agreement be discharged in whole or in part, except by an agreement in writing, signed by the party against whom the change, modification or discharge is claimed or sought to be enforced; nor shall any waiver of any of the conditions or provisions of this agreement be effective and binding unless such waiver shall be in writing and signed by the party against whom the waiver is asserted, and no waiver of any provision of this agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or of any other provision.

14. This agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of action), shall be governed by and construed in accordance with the laws of the State of New York, notwithstanding conflict-of-laws doctrines of any state or other jurisdictions to the contrary.

15. Upon termination of this agreement, the consent theretofore granted to broadcast our Network programs shall be deemed immediately withdrawn and you shall have no further rights of any nature whatsoever in such programs.

16. We agree to indemnify, defend and hold you harmless against and from all claims, damages, liabilities, costs and expenses arising out of the use or exercise by you, in accordance with this agreement, of any rights or material furnished by us hereunder, provided that you promptly notify us of any claim or litigation to which this indemnity shall apply, and that you cooperate fully with us in the defense at our request. You similarly agree to indemnify, defend and hold us harmless with respect to material furnished by you.

If, after examination, you find that the arrangement herein proposed is satisfactory to you, please indicate your acceptance on the copy of this letter enclosed for that purpose and return that copy to us.

Very sincerely yours,

AMERICAN BROADCASTING COMPANIES, INC.

By: George Allen
Title: Exec V.P. Affil Relations

Accepted this 7 day of
July, 1994

TAMPA BAY TELEVISION, INC.

By: Frank Gardner
Title: President

RIDER ONE

You shall be entitled to network non-duplication protection (against simultaneous or non-simultaneous presentation of ABC Television Network programs via cable pursuant to the compulsory license) as follows:

a. The geographic zone of network non-duplication protection shall be the Area of Dominant Influence ("ADI") (as defined by Arbitron) in which your station is located, or any lesser zone pursuant to any geographic restrictions contained in the Federal Communications Commission rules and regulations, now or as subsequently modified.

b. Network non-duplication protection shall extend to all ABC Television Network programs that you broadcast in accordance with this agreement. Protection shall not extend to individually pre-empted programs of an otherwise cleared series.

c. Network non-duplication protection shall begin 48 hours prior to the live time period designated by us for broadcast of that network program by your station, and shall end at 12:00 Midnight on the seventh day following that designated time period.

You are under no obligation to exercise in whole or in part the network non-duplication rights granted under this agreement.

AMERICAN BROADCASTING COMPANIES, INC.

By: _____

Accepted this _____ day of
_____, 19____

Television Station _____

By: _____

SCHEDULE A

STATION COMPENSATION

(a) We will pay you within a reasonable period of time after the close of each four or five week accounting period, as the case may be, for broadcasting each network sponsored program or portion thereof hereunder, except those specified in paragraph (b) hereof, which is broadcast over your station during the live time period* therefor, the amount resulting from multiplying the following:

- (i) Your network station rate of \$2,400; by
- (ii) the percentage set forth in the table below opposite such applicable time period; by
- (iii) the fraction of an hour substantially occupied by such program or portion thereof; by
- (iv) the fraction of the aggregate length of all commercial availabilities** during such program or portion thereof occupied by network commercial announcements***.

* Live time period, as used herein, means the time period or periods as specified by us in our initial offer of a network program for the broadcast of such program over your station.

** Commercial availability, as used herein, means a period of time made available by us during a network sponsored program for one or more network commercial announcements or local cooperative commercial announcements.

*** Network commercial announcement, as used herein, means a commercial announcement broadcast over your station during a commercial availability and paid for by or on behalf of one or more of our network advertisers, not including, however, announcements consisting of billboards, credits, public service announcements, promotional announcements, and announcements required by law.